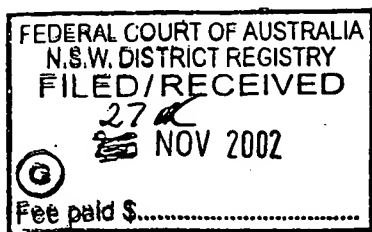IN THE FEDERAL COURT OF AUSTRALIA

NEW SOUTH WALES DISTRICT REGISTRY

No. of 2002

N - 1 2 6 9   2002

MICROSOFT CORPORATION

First Applicant

MICROSOFT PTY LTD

(ABN 29 002 589 460)

Second Applicant

INTERTRUST TECHNOLOGIES

CORPORATION

Respondent

PARTICULARS OF INVALIDITY

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "Patent").

Priority Date

1   The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicant does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

2   The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the **priority date** of each claim.

Particulars

The alleged invention was not novel by reason of prior art information made publicly available by the publication of each of the documents referred to in Annexure "A"

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prior to the priority date, on or about the date specified in Annexure A. The applic‹ reserves the right to add further prior art information to Annexure "A".

Lack of Inventive Step

3   The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared wi the prior art base as it existed before the **priority date** of each claim.

Particulars

The applicant will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the **priority date** (including any admissions contained : the specification) either alone or in combination with prior art information made publicly available in any one of the documents referred to in Annexure "B" prior to the priority date, on or about the date specified in Annexure B. The applicant reserve the right to add further instances of prior art information to Annexure "B".

Section 40, *Patents Act 1990*

Lack of definition

4   The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

(i)   Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.

(ii)   Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.

(iii)   Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.

(iv)   The applicant repeats paragraphs (ii) – (xi) of the particulars to paragraph 6 below.

Lack of Clarity

5   The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

<div align="center">

Particulars

</div>

(i)   Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.

(ii)   Claims 1-57 are unclear as the meaning of the term "secure" is unclear.

(iii)   Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.

(iv)   Claims 1-57 are unclear as the meaning of the term "rule" is unclear.

(v)   Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.

(vi)   Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.

(vii)   Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.

(viii)   Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.

(ix)   Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.

(x)   Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.

(xi)   Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.

(xii)   Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.

(xiii)   Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

(xiv)   Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" unclear.

Lack of Fair Basis

6   The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specificatic

<u>Particulars</u>

(i)   In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereor

(ii)   In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the us of such "descriptive data structures" is not disclosed.

(iii)   Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", thos claims are not fairly based on the body of the specification as there is no disclosure c the means whereby such a "descriptive data structure" is used in the manner claimed

(iv)   In so far as claims 21 to 44 purport to claim methods of creating a "secure container" those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.

(v)   In so far as claims 45 to 57 purport to claim distributed data processing arrangements those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.

(vi)   In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.

(vii)   Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.

(viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.

(ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.

(x) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the creation of a "first secure container" other than the steps specified in the specification

(xi) Claims 1 – 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

7   The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

<div align="center">Particulars</div>

(i) There is no invention disclosed on the face of the specification;

(ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;

(iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

(iv) The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;

(v) To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or

(vi) The alleged invention is a mere scheme, plan or rule or method of doing business.

(vii)   The alleged invention is one or more mere *desiderata*.

DATE: 27 November 2002

Kim Anne O'Connell
Mallesons Stephen Jaques
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ANNEXURE A

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection".	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	Such further particulars as are later provided	

ANNEXURE B

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	Such further particulars as are later provided	